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The Honorable Marc Barreca

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

In re: : Case No.: 23-11919
HWC BURBS BUGERS, LLC : DECLARATION OF JOSHUA
Debtor-in-Possession. : HENDERSON

I, Joshua Henderson, declare under penalty of perjury the following:

- 1) The Company, HSC Burbs Burgers, LLC (herein “Burbs”), filed a petition under
2 Chapter 11, Subchapter V on October 9, 2023 (herein the “Petition Date”). The
3 Debtor is operating its business and managing its affairs as a debtor-in-possession
4 under 11 U.S.C. §§ 1107 and 1108.
- 2) Burbs opened its first location at Pioneer Square in 2020, in restaurant space
3 previously occupied by Quality Athletics at 121 King Street Seattle, WA.
- 3) The initial location was followed by the opening of a food truck operation at 2010
2 E. Roanoke Street, Seattle WA 98112 which opened in 2020, a Ballard location
2 at 5101 14th Ave., NW Seattle WA 98107 opened in 2022 and a Georgetown
3 location at 5925 Airport Way South, also opened in 2022.
- 4) In June 2023 Burbs opened its Bellevue location located at 400 Bellevue Way,
3 NE, Bellevue WA,

1 5 Burbs serves a menu of simple, unique menu of sandwiches items including
2 “Smash Burgers,” Chicken Sandwiches, gourmet Hot Dogs and various side
3 dishes.

4 6 The Burbs concept originated when owner Josh Henderson sought to downsize
5 and simplify his large operation to focus the simple Burb’s concept.

6 7 The COVID pandemic had a severe impact on Burb’s revenue. To rebound from
7 the impact of COVID Burb’s sought to establish additional locations to grow its
8 way to profitability. Between 2021 and 2023, Burb’s obtained financing at less
9 than favorable interest rates and fell behind on Department of Revenue
10 obligations. Facing mounting collection pressure from creditors, Burbs filed for
11 protection under Chapter 11, Subchapter V, in order to remain in business.

12 8 That currently Burbs employs the following individuals in the positions and at the
13 wage rates referenced below:

<u>Name</u>	<u>Title</u>	<u>Rate/hour</u>
Seth Richardson	Manager	\$12,083.00 mo.
Brandy Bowling	Bartender	\$20.00 hr.
Rosario Galindo	Shift Manager	\$7,250.00 mo.
Andrew Greene	Bartender	\$16.50 hr.
Eduardo Lopez	Cashier	\$24.50 hr.
Carlos Morales	Cook	\$24.00 hr.
Edgar Morales	Cook	\$21.50 hr.
Daniel Portillo	Cook	\$19.00 hr.
Richard Ramirez	Bartender	\$20.00 hr.
Margarito Martinez	Cook	\$21.00 hr.
Alexei Rodriguez	Cashier	\$18.69 hr.
Esli Sanchez-Martinez	Cook	\$24.50 hr.
Milton Sanchez-Martinez	Cook	\$24.50 hr.
Alexander Skalatsky	Bartender	\$16.50 hr.
Anh Tran	Cook	\$23.00 hr.
Selvin Ventura	Cook	\$19.50 hr.

1	Brendan Lacy	Cashier	\$21.50 hr.
2	Jordyn Pecoraro	Bartender	\$16.50 hr.
3	Qunitin Sweeney	Bartender	\$16.50 hr.
4	Alejandro Cruz Vargas	Cook	\$20.50 hr.
5	Ana Milla Arriaga	Cook	\$19.00 hr.
6	Carlos Cortes	Cook	\$19.00 hr.
7	Rose Honeyman	Cashier	\$24.00 hr.
8	Berain Gutierrez	Manager	\$9,166.00 mo.
9	Jimmy Salgado	Bartender	\$16.50 hr.
10	Manuel Duran	Cook	\$19.00 hr.
11	Christian Santillan	Cook	\$19.00 hr.
12	Jesus Cano Valle	Cook	\$19.00 hr.
13	Jose Antonio Aguilar Lavariega	Cook	\$19.00 hr.
14	Agustin Ruiz	Cook	\$19.00 hr.
15	Maribel Ruiz Martinez	Cook	\$19.00 hr.
16	Angel Arias	Cook	\$19.00 hr.
17	Alan Melendez De Los Santo	Cashier	\$19.00 hr.
18	Rodrigo Sanchez Martinez	Cook	\$19.00 hr.
19	Enrique Garcia	Cook	\$19.00 hr.
20	Eliel Ruiz	Cook	\$19.00 hr.
21	Joselyn Melendez De los Santo	Cashier	\$19.00 hr.
22	Moises Cortez Martinez	Cook	\$19.00 hr.
23	Yoseth Cruz	Cook	\$19.00 hr.
24	Marianela Caceres	Bartender	\$19.00 hr.
25	Ingri Recuero	Cook	\$19.00 hr.
26	Janna Holthusen	Bartender	\$19.00 hr.
	Alexandra Martinez	Cook	\$19.00 hr.
	Betsey Itzel Lopez Nicoles	Cook	\$19.00 hr.
	Reyes Gamaliel	Cook	\$19.00 hr.
	Andres Eduardo Palencia Jimenez	Cook	\$19.00 hr.
	Erika Adilia Milla Arriaga	Cook	\$19.00 hr.
	Isai David Reyes Martinez	Cook	\$19.00 hr.
	Anais Stubing	Bartender	\$19.00 hr.

1 9 It is anticipated that the Company will continue to employ the same individuals in the
2 same positions in the immediate future.

3 10 All employees are working full time and the payroll sought to be paid on October 23,
4 2023, will be approximately \$46,890.21 for the hourly employees. See attached
5 estimated payroll report marked as **Exhibit A**. An additional \$13,153.84 for salaried
6 employees.

7 11 That the payroll to be paid on October 23, 2023, will not include any pre-petition
8 payment to myself.

9 12 That as of the Petition Date, the Company had funds in its business checking accounts
10 in the approximate amount of \$0.00 and had approximately \$10,519.30 in unpaid
11 credit card charges. The debtor had non-vehicle equipment and inventory in the
12 amount of \$173,500.00.

13 14 That I have attached hereto as **Exhibit B** to this Declaration a 16 week estimated cash
15 flow budget which I believe fairly estimates the anticipated inflow and outflow of the
16 Debtor during the specified period.

17 14 That I have attached true and correct copies of the loan documents with all secured
18 creditors attached hereto as **Exhibit C**.

19 15 I believe that Square Financial and Kalamata Capital hold a security interest in cash
20 collateral based on the filing date of their respective UCC-1 filings and remainder of
21 the listed creditors have no interest in the Debtor's collateral.

22 16 As of the petition date, HWC Burbs Burgers, LLC had one checking account at
23 BECU (herein "General Account") (Account Number ending in 9630) and an
24 additional account at Bank of America which is not currently being used.

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1 17 To the best of my knowledge, information and belief deposits held by BECU are
2 insured by NCUA up to the sum of \$250,000.00.

3 18 The Debtor's Cash Management System is an integral part of its business operations.
4 Historically, the Debtor used the BECU checking account to receive electronic
5 payments directly from customers and make payments for payroll, food costs, and
6 other operating expenses from that account. Additionally, there is currently a debit
7 card associated the BECU checking account which historically is used to pay
8 expenses which required immediate payment.

9 19 If, at any time, the funds held in the BECU checking account exceed the sum of
10 \$250,000.00, I will immediately sweep the BECU checking account of any funds
11 above that amount and place them in a DIP account which I intend to open at a
12 qualified bank.

14 Dated this 18th day of October 2023.

15 /s/ Joshua Henderson
16 Joshua Henderson
17 Managing Member, HWC Burbs Burgers, LLC
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